

**SENATE BILL**

**No. 684**

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**Introduced by Senator Cogdill**  
***(Coauthor: Senator Denham)***

February 27, 2009

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An act to add Section 96.11 to the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 684, as amended, Cogdill. Local government finance.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenues to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined.

This bill would, for purposes of property tax revenue allocations for the 2011–12 fiscal year and each fiscal year thereafter, require the county auditor for ~~any~~ a county for which a negative sum was calculated pursuant to a specified former statute, in reducing the amount of property tax revenue otherwise allocated to the county by an amount attributable to that negative sum, to apply a reduction amount equal to the reduction amount determined for the 2010–11 fiscal year. By imposing new duties in the annual allocation of ad valorem property tax revenues, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 96.11 is added to the Revenue and  
2 Taxation Code, to read:

3 96.11. Notwithstanding any other provision of this article, for  
4 purposes of property tax revenue allocations for the 2011–12 fiscal  
5 year and each fiscal year thereafter, the county auditor of ~~any~~ a  
6 county for which a negative sum was calculated pursuant to  
7 subdivision (a) of former Section 97.75 as that section read on  
8 September 19, 1983, shall, in reducing the amount of property tax  
9 revenue that otherwise would be allocated to the county by an  
10 amount attributable to that negative sum, apply a reduction amount  
11 that is equal to the reduction amount that was determined for the  
12 2010–11 fiscal year.

13 SEC. 2. (a) The Legislature hereby finds and declares that the  
14 passage of Senate Bill 154 of the 1977–78 Regular Session of the  
15 Legislature and Assembly Bill 8 of the 1979–80 Regular Session  
16 of the Legislature authorized the transfer of funds from the state  
17 to the counties as part of a so-called “bail out for the counties”  
18 following the passage of Proposition 13.

19 (b) The Legislature further finds and declares that while 52 of  
20 the state’s 58 counties received money from the state, six counties  
21 actually lost money or were subject to a negative sum as a result  
22 of Senate Bill 154 and Assembly Bill 8.

23 (c) The Legislature further finds and declares that, although the  
24 formulas in Senate Bill 154 and Assembly Bill 8 that caused these  
25 six counties to lose money may have been valid in 1978 and 1979,  
26 the peculiarities that existed then do not justify the continuation  
27 of the negative sum formula.

28 (d) The Legislature further finds and declares that counties  
29 subject to the negative sum formula not only continue to lose  
30 money, but their losses increase each fiscal year.

31 (e) Therefore, the Legislature finds and declares that no further  
32 increase in the negative sum computed for those counties is  
33 required and that the negative sum calculated for each affected

1 county for the 2010–11 fiscal year shall constitute the full amount  
2 due from each negative sum county pursuant to subdivision (a) of  
3 former Section 97.75 of the Revenue and Taxation Code as that  
4 section read on September 19, 1983.

5 SEC. 3. No reimbursement is required by this act pursuant to  
6 Section 6 of Article XIII B of the California Constitution because  
7 this act provides for offsetting savings to local agencies or school  
8 districts that result in no net costs to the local agencies or school  
9 districts, within the meaning of Section 17556 of the Government  
10 Code.